

## Rite Care \$10,000 Liquid Resource

0348.25

### FINANCIAL REQUIREMENTS

REV:09/1998

REV:09/2006

Financial Requirements consists of two (2) components: Income and Resources.

#### INCOME:

Income requirements include:

- o Proof of household's earned income;
- o Proof of household's unearned income including proof of child support and/or alimony payments.

The Rite Care family income methodology incorporates income exclusions and income disregards.

#### EXCLUDED INCOME

Certain types of income are excluded, i.e. not considered, under the rules of the Rite Care Program. For a list of the types of income excluded from financial determinations, see Section 0330.20 of the Rhode Island Department of Human Services Manual.

#### EARNED INCOME DISREGARDS

Portions of earned income may be disregarded before arriving at the amount of income which will be countable income. In addition to excluded income, a portion of earned income may be disregarded (deducted), as well as a portion of dependent care expenses. For FIP-eligibles, FIP disregards apply. For non-FIP eligibles, the Rite Care Program recognizes a \$90 work expense disregard, the dependent care disregard, and the \$50 child support disregard.

- o \$90 Work Expense Disregard

The work expense disregard allows the disregard of the first \$90 of an individual's monthly earned income.

- o Dependent Care Disregard

The dependent care disregard (DHS Day Care Subsidy plus the individual's co-payment) allows a disregard not to exceed \$175 per month per child age two years and older or an incapacitated adult. For a child under the age of two years, this disregard may not exceed \$200 per month. Consideration of the dependent care expense is only given when the care is provided by a person not living in the child's or incapacitated adult's household.

- o \$50 Child Support Disregard

A \$50 child support disregard is applied to the gross amount of the family's total child support income from all sources.

#### COUNTABLE INCOME

In family income eligibility determinations, the amount of the family's countable income must first be determined and then compared to the program's income standard. If countable income is equal to or less than the standard, eligibility exists. There is no Flex-test of income in the determination of eligibility for Rite Care individuals. Eligibility for Rite Care cannot be established if the countable income is greater than the standard.

When determining countable income, first eliminate excludable income. Next apply the \$90 earned income disregard to the earned income of each employed individual. If applicable, next apply the dependent care disregard to the family's income and finally, apply the \$50 child support disregard to the family's income. The balance of the earned income together with any unearned income is the countable income.

#### **RESOURCES:**

A determination of eligibility requires a review of the family's liquid resources. The value of liquid resources must be counted toward the ten thousand dollar (\$10,000) liquid resource limit. If the combined value of the child's or the family's liquid resources exceed the ten thousand dollar (\$10,000) liquid resource limit, the family is ineligible and the application is denied or eligibility for assistance is discontinued.

Liquid resources are defined as any interest(s) in property in the form of cash or other financial instruments or accounts which are readily convertible to cash or cash equivalents. These include, but are not limited to: cash, bank, credit union or other financial institution savings, checking and money market accounts, certificates of deposit or other time deposits, stocks, bonds, mutual funds, and other similar financial instruments or accounts.

These do not include educational savings accounts, plans, or programs; retirement accounts, plans, or programs; or accounts held jointly with another adult, not including a spouse, living outside the same household but only to the extent the applicant/recipient family documents the funds are from sources owned by the other adult living outside the household, plus the proportionate share of any interest, dividend, or capital gains thereon.

In addition to the evaluation of resources at the time of the Rite Care application, resources are reviewed when a change occurs, or when information is received which indicates that unreported resources may exist.

When determining family Rite Care eligibility, resources are not tested for:

- o pregnant women; and
- O children with disabilities who are otherwise eligible for Medical assistance coverage as categorically needy under Section 134(a) of the Tax Equity and Fiscal Responsibility Act of 1982 [federal P.L. 97-248], commonly known as Katie Beckett eligible, upon meeting the requirements established in Section 1902(e)(3) of the federal Social Security Act.

If, at the time of the liquid resource evaluation, countable liquid resources exceed the liquid resource limit, resources are assumed to be in excess of the limit for the entire month. Liquid Resources are evaluated at the point in time at which the application or redetermination is completed.

**0348.25.05** ~~Resource Test Waived~~

REV:05/1997

REV:09/2006

~~All resource tests are waived for Rite Care eligibility for pregnant women with countable family income not exceeding 350% of the FPL and~~

~~children under age eighteen (including children eligible under the "in school extension") with countable family income not exceeding 250% of the FPL.~~

#### 0348.25.10 DOCUMENTATION OF RESOURCES

EFF:09/2006

The information the individual supplies on the MARC-1, both at application and redetermination is documented through insurance policies, bankbooks, and similar documentary sources. The source used for verification of the liquid resource is recorded in the appropriate area of the MARC-1. Photocopies of the documentation must be kept for the case file.

#### 0348.25.10.05 DHS-91 BANK CLEARANCE FORM

EFF:09/2006

The DHS-91 Bank Clearance form is used by the agency representative to verify a household's reported bank accounts and/or to determine the existence of unreported bank accounts.

Bank accounts are liquid resources and, as such, must be verified for Rite Care households, both at initial certification and at redetermination.

The same procedures employed at certification are used at redetermination.

#### 0348.25.12 AVAILABILITY OF A RESOURCE

EFF:09/2006

In order to be countable in the determination of Medical Assistance eligibility, a resource must be available to the individual. The individual must be able to use the resource to provide food, shelter, clothing, or convert it into a form in which it can be used to meet needs:

o A resource is considered to be available both when actually available, and when the applicant has the legal ability to make such sum available for support and maintenance;

o Resources are not available when a legal impediment exists which precludes the applicant from making the

resource available for support, maintenance or medical care.

Applicants/Recipients are required, as a condition of eligibility, to cooperate with the Department in making resources available. See Section 0308, COOPERATION REQUIREMENTS

#### 0348.25.14 AVAILABILITY OF FUNDS

EFF:09/2006

Funds maintained in checking or savings accounts are usually payable on demand. An individual should be able to withdraw money from a checking account on the same day (s)he presents a check.

Funds can usually be withdrawn from a savings account the same day the request is made.

However, some unusual circumstances may occur which prevent the immediate withdrawal of money, and may result in the resource being unavailable. For example, if there is a joint account with only one individual having authority to withdraw money and that individual dies, a prolonged period may elapse before the surviving owner can withdraw the money.

Certain time deposits (e.g. savings certificates or certificates of deposit) may not be legally available to the applicant/deemor until a specific point in time. If so, the policy in Section 0348.25.12 regarding availability of resources is applied to determine if the resource is not countable until the maturity of the certificate.

#### 0348.25.15 FIRST MOMENT OF THE MONTH RULE

EFF:09/2006

Countable liquid resources are determined as of the FIRST MOMENT OF THE MONTH (FOM). The determination is based on the liquid resources the individuals own, their value, and whether or not they are excluded as of the first moment of the month. The FOM rule establishes a point in time at which to value liquid resources; what a person owns in countable liquid resources can change during a month but the change is always effective with the following month's liquid resource determination.

The kinds of changes that can occur are:

o CHANGES IN VALUE OF EXISTING LIQUID RESOURCES

The value of an existing liquid resource may increase or decrease. For example, the value of a share of stock may decrease by thirty dollars (\$30) or increase by twenty dollars (\$20).

o DISPOSITION OR ACQUISITION OF LIQUID RESOURCES

An individual may dispose of an existing liquid resource (e.g., close a savings account and purchase an item) or may acquire a new liquid resource (e.g., an inheritance which is subject to the income-counting rules in the month of receipt).

o CHANGE IN EXCLUSION STATUS OF EXISTING LIQUID RESOURCES

An individual may replace an excluded resource with a non-excluded liquid resource (e.g., sell an excluded automobile for non-excluded cash) or vice versa (use non-excluded cash to purchase an excluded automobile). Similarly, a time-limited exclusion (such as the period for exclusion of retroactive Title II benefits) may expire.

Changes such as SSI, SSA, and Lump Sums do not affect the countable value of liquid resources in the month in which they occur. Any change does not affect countable liquid resources until the first moment of the following month.

If countable liquid resources exceed the limit as of the first moment of a month, the recipient is not eligible for that month, unless the liquid resources are reduced by expenditure on certain allowable expenses, see DHS Policy Section 0338.30, RESOURCE REDUCTION.

0348.25.45 JOINT ACCOUNTS AND REBUTTAL OF OWNERSHIP

EFF:09/2006

Whenever the applicant or deemor is a joint account holder who has unrestricted access to the funds in the account, ALL of the funds in the account are PRESUMED to be the resources of the applicant or deemor. The applicant or deemor will be offered the opportunity to submit evidence in rebuttal as described in DHS Policy Sections

0356.15.10.12 through and inclusive of 0356.15.10.26 of this presumption.

A successful rebuttal will result in finding that the funds (or a portion of the funds) in the joint account are not owned by the applicant or the deemor and, therefore, are not the resources of the applicant.